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Attorney for MICHAEL D. McGRANAHAN, Trustee

DHES
FILED
2004 DEC 20 PM 2:00
CLERK, U.S. BANKRUPTCY CT.
EASTERN DIST. OF CA.
SACRAMENTO, CA.

**THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION**

In re:
JIMMY DON CARSON and LISA ANN
CARSON,

Debtors.

SSN#: XXX-XX-9333; SSN#: XXX-XX-8595
7087 E. Highway 26
Stockton, CA 95215

Case No.: 04-31355-D-7

DC NO.: MGO-3

Chapter 7

Date: January 11, 2005
Time: 9:30 a.m.
Place: 501 I Street, 6th Fl.
Courtroom 34
Sacramento, CA 95814
Judge: Hon. Thomas C. Holman

**EXHIBITS IN SUPPORT OF TRUSTEE'S MOTION FOR
AUTHORITY TO SELL PERSONAL PROPERTY (NOTE)**

INDEX OF EXHIBITS

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Promissory Note ("Note").....3-4
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EXHIBITS IN SUPPORT OF
TRUSTEE'S MOTION FOR. . .

1 Exhibit D; Agreement for Sale of
2 Estate's Interest in Note (Signed)8-11

3
4 Dated: 12-14, 2004

Oleksa Law Office, P.C.

By: 
Michelle G. Oleksa,
Attorney for Trustee

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orig in case

SECURITY AGREEMENT AND PROMISSORY NOTE

\$120,000.00

Modesto, California

March 26, 2002

In installments as herein stated, for value received, I promise to pay to secured party, Jim Don Carson and Lisa Anne Carson or order at place designated by holder of note the sum of ONE HUNDRED TWENTY THOUSAND AND NO/100 (\$120,000.00) DOLLARS, with interest from July 31, 2002 on unpaid principal at the rate of nine per cent per annum; principal and interest payable in installments of ONE THOUSAND TWO HUNDRED SEVENTEEN AND 60/100 (\$1,217.60) DOLLARS or more on the 31 day of each and every month, beginning on the 31 day of July, 02 and continuing until July 31, 2007 when all said principal and interest shall be due and payable.

Each payment shall be credited first on interest then due and the remainder on principal; and interest shall thereupon cease upon the principal so credited. Should default be made in payment of any installment when due the whole sum of principal and interest shall become immediately due at the option of the holder of this note. Principal and interest payable in lawful money of the United States.

AS SECURITY for the payment by Debtor to Secured Party of (1) the promissory note contained herein, and renewals or extensions thereof; (2) all amounts advanced or expended by Secured Party under the terms hereof, or otherwise for the maintenance or preservation of the property affected hereby; DEBTOR HEREBY GRANTS SECURED PARTY A SECURITY INTEREST IN THE FOLLOWING DESCRIBED PROPERTY (hereinafter called "Collateral"):

All Fixtures and Equipment and all other assets of that certain grocery business known as "Hwy 26 Quick Stop", located at 11225 E. Hwy 26, Stockton, San Joaquin County, California.

At the end of 5 years if the Borrower want to express their option to renew lease on store and cannot payoff the balance of the note, Borrower can renegotiate a 2nd note for the balance due on the 1st note at a new rate of 12% cap. Terms to follows

now and hereafter to be regularly or permanently located at business address; together with any and all accessories, equipment, parts appliances and appurtenances now or hereafter a part thereof, substitutions thereof, additions and repairs thereto, and the increase and increment thereof.

THE DEBTOR UNDERSTANDS AND AGREES THAT THE PROVISIONS ATTACHED HERETO CONSTITUTE A PART OF THE INSTRUMENT AS FULLY AS IF THEY WERE PRINTED ON THE FACE HEREOF ABOVE THE DEBTOR'S SIGNATURE.

Maria Elena Torres

Maria Elena Torres

12-12-03

Jaime Torres

Jaime Torres

12-12-03

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SAN JOAQUIN

SS.

On 12-12-2003

before me,

HUMBERTO S. HURTADO

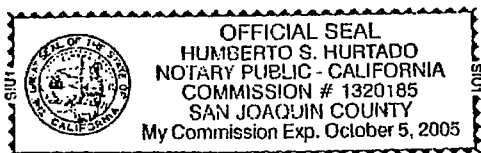
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared MARIA ELENA TORRES AND JAIME TORRES

Name(s) of Signer(s)

☐ personally known to me

☒ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he/she~~/they executed the same in ~~his/her~~/their authorized capacity(ies), and that by ~~his/her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: SECURITY AGREEMENT AND PROMISSORY NOTE

Document Date: 12-12-2003 Number of Pages: 1

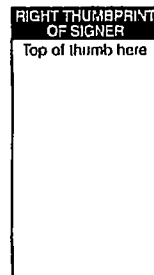
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

James Nuss (209) 948-0434

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Geiger, Rudquist, Nuss, Coon & Keen, LLP
311 East Main Street
Suite 400
Stockton, CA 95202
USA

DOCUMENT NUMBER: 736130002

FILING NUMBER: 04-1002653021

FILING DATE: 9/9/2004 9:11:19 AM

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1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

OR	1a. ORGANIZATION'S NAME				
	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
	Torres	Maria	Elena		
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11225 East Highway 26		Stockton	CA	95215	USA
1d. SEE INSTRUCTIONS		ADD'L DEBTOR INFO	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID#, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

OR	2a. ORGANIZATION'S NAME				
	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
	Torres	Jaimc			
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11225 East Highway 26		Stockton	CA	95215	USA
2d. SEE INSTRUCTIONS		ADD'L DEBTOR INFO	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID#, if any <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME				
	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
	Carson	Jim	Don		
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
7087 East Highway 26		Stockton	CA	95215	USA

4. This FINANCING STATEMENT covers the following collateral:

All Fixtures and Equipment and all other assets of that certain grocery business known as "Hwy 26 Quick Stop," located at 11225 E. Hwy 26, Stockton, San Joaquin County, California, now and hereafter to be regularly or permanently located at said business address; together with any and all accessories, equipment, parts, appliances and appurtenances now or hereafter a part thereof, substitutions therefor, additions and repairs thereto, and the increase and increment thereof.

5. ALT DESIGNATION: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

☐ 6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS Attach Addendum (if applicable)

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s)
[ADDITIONAL FEE] [optional] ☒ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

OR	9a. ORGANIZATION'S NAME			
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
	Torres	Maria	Elena	
10. MISCELLANEOUS:				

DOCUMENT NUMBER: 736130002
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11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - (insert only one debtor name (1a or 1b) - do not abbreviate or combine names)

OR	11a. ORGANIZATION'S NAME				
	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. SEE INSTRUCTIONS		ADD'L DEBTOR INFO	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID#, if any <input type="checkbox"/> NONE

12. ☒ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

OR	12a. ORGANIZATION'S NAME				
	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
7087 East Highway 26		Stockton	CA	95215	USA

13. This FINANCING STATEMENT covers ☐ timber to be cut or
☐ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

15. Name and address of RECORD OWNER of above-described real estate
 (If Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or
☐ Decedent's Estate

18. Check only if applicable and check only one box.☐ Debtor is a TRANSMITTING UTILITY☐ Filed in connection with a Manufactured-Home Transaction - effective 30 years☐ Filed in connection with a Public-Finance Transaction - effective 30 years

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11/29/2004 14:52

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MCGRANAHAN

PAGE 02

CEDARCREST CAPITAL

November 22, 2004

Michael D. McGranahan
PO box 5018
Modesto, CA 95352

Re: Promissory Note of Carson Estate, Case # 04-31355

Dear Trustee McGranahan,

Cedarcrest Capital, LLC would be willing to pay \$51,200 for the remaining payments of the promissory note in the above-referenced estate. Enclosed is a 10% deposit toward the purchase, which I understand to be non-refundable in the event Cedarcrest Capital, LLC is the highest bidder.

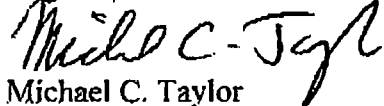
This offer is contingent upon a timely notification and sale process. In addition, the offer assumes a balance remaining on the promissory note of \$76,065.10.

In the event that principal payments are made between now and the sale of the note, a reduction to the offer by the amount of the subsequent principal paid would be acceptable.

I hope this offer provides sufficient value to the estate to notice out to the court and creditors.

Please do not hesitate to contact me if I can answer any questions.

Regards,



Michael C. Taylor

Partner

Cedarcrest Capital, LLC

AGREEMENT FOR SALE OF ESTATE'S INTEREST IN NOTE

Michael D. McGranahan, Chapter 7 Trustee ("Trustee") of the Estate of JIMMY DON CARSON and LISA ANN CARSON ("Debtors"), and Cedarcrest Capital, LLC ("Buyer"), hereby enter into the following Agreement for Sale of Estate's Interest in Note ("Agreement").

Recitals

A. Debtor filed a Voluntary Petition on April 28, 2003 as a Chapter 7 case. Trustee was duly appointed Chapter 7 Trustee of the Estate of the Debtors on April 28, 2003.

B. Among the assets of this Estate is a Security Agreement and Promissory Note ("Note"), whereby Debtors are listed as the beneficiaries and the borrowers are Maria Elena and Jaime Torres. ("Borrowers"). The Note is dated March 26, 2002, and has a face value of \$120,000. The Note is secured by various fixtures and equipment of Borrowers' grocery store known as Hwy 26 Quick Stop, as fully set forth in the Note.

C. As of November 22, 2004, the remaining balance of the Note is \$76,065.10.

Agreement

1. This Agreement is subject to entry of an order approving this Agreement by the United States Bankruptcy Court in Case No. 04-31355-D-7, and is subject to higher and better bids in increments of at least \$1,000 made at the hearing.

2. The purchase price that Buyer shall pay to Trustee for the right, title, and interest to the Note is \$51,200 cash or cash equivalent. Buyer has made a deposit of \$5,120 to Trustee. The deposit becomes non-refundable upon the filing date of Trustee's Motion for Authority to Sell Personal Property (Note), subject to being refunded only if Buyer is not the successful bidder for the Note. The remaining balance shall be due and payable in cash or cash equivalent no later than five days after the Bankruptcy Court's entry of an order approving the sale of the Note. The Note shall be sold "As Is."

3. In the event that principal payments are made to Trustee between November 22, 2004, and the consummation of the sale of the Note, such payments will be remitted to the successful buyer of the Note.

4. The terms, covenants, and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, the heirs, agents, administrators,

representatives, assigns, attorneys, predecessors, and successors of the respective parties hereto, past, present, and future.

5. Each party shall bear their own attorneys' fees with respect to all matters covered by this Agreement.

6. This Agreement constitutes the entire Agreement between the parties relating to the matters herein described. There are no other agreements, written or oral, express or implied, between the parties hereto. All prior negotiations, correspondence, agreements, and understandings, whether oral or written, that originated before the date of this Agreement are hereby revoked, cancelled, and rescinded, and are superseded hereby.

7. This Agreement may not be altered, amended, or modified in any respect, except by a writing duly executed by the party to be charged.

8. The parties acknowledge and agree that this Agreement is the product of negotiations between the parties, and each party and their attorneys have reviewed this Agreement in detail and incorporated any revisions deemed appropriate. Accordingly, any rule of construction to the effect that uncertainties or ambiguities shall be resolved against the drafting party shall not apply in the interpretation of this Agreement.

9. The parties each agree to execute and deliver any and all documents, and to perform all further acts, that may be reasonably necessary to effectuate the provisions of this Agreement.

10. This Agreement is entered into, and shall be construed and interpreted in accordance with, the laws of the State of California.

11. For the convenience of the parties, this Agreement may be executed in counterparts which shall together constitute the agreement of the parties with the same force and effect as if the signatures were each and all contained in the same instrument.

12. Each of the parties acknowledges that they have had the opportunity to utilize the services of an attorney in connection with the negotiations and have had an adequate opportunity to review this Agreement, and the advisability of entering into this Agreement, with an attorney of the party's choice, if desired.

13. Any action to interpret or enforce this Agreement shall be filed in the United States Bankruptcy Court for the Eastern District of California, Sacramento Division.

14. This Agreement shall become effective immediately upon the following: execution by all parties, and approval by the Bankruptcy Court.

The parties have executed this Agreement on the dates set forth below.

Dated: 12/9/04

CEDARCREST CAPITAL, LLC

By: Michael Taylor, President
Print Name Title

Michael C. Taylor
Signature

Dated: _____

Michael D. McGranahan
Chapter 7 Trustee

Approved as to Form Only:

Dated: _____

OLEKSA LAW OFFICE, P.C.

By: _____
Michelle G. Oleksa,
Attorney for Trustee

14. This Agreement shall become effective immediately upon the following: execution by all parties, and approval by the Bankruptcy Court.

The parties have executed this Agreement on the dates set forth below.

Dated: _____

CEDARCREST CAPITAL, LLC

By: _____
Print Name Title

Signature

Dated: Dec. 9, 2004

Michael D. McGranahan
Michael D. McGranahan
Chapter 7 Trustee

Approved as to Form Only:

Dated: 12-14-04

OLEKSA LAW OFFICE, P.C.

By: Michelle G. Oleksa
Michelle G. Oleksa,
Attorney for Trustee